

STAT

CLASSIFICATION RESTRICTED
SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO. --

RESTRICTED

COUNTRY Hungary
SUBJECT Economic - Industry, metallurgy
HOW PUBLISHED Daily newspaper
WHERE PUBLISHED Budapest
DATE PUBLISHED 16 Oct 1951
LANGUAGE Hungarian
DATE OF INFORMATION 1951
DATE DIST. // Jan 1952
NO. OF PAGES 2
SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Szabad Nep.

CONFERENCE REVEALS PROBLEMS
IN HUNGARIAN METALLURGICAL INDUSTRY

At the request of the Ministry of Metallurgy and Machine Production a conference was recently held in Budapest for the managers and chief engineers of metallurgical plants, party and trade-union functionaries, and Stakhanovites to discuss the causes and remedies of the serious production lag in metallurgy.

Mihaly Zsofinyec Discusses Problems

Mihaly Zsofinyec, Minister of Metallurgy and Machine Production, pointed out that the metallurgical enterprises have failed to fulfill Five-Year Plan quotas.

His speech presented the following information. The open-hearth furnaces at Diosgyor, Ozd, and Csepel are way behind their respective quotas. This situation is extremely serious, because nonfulfillment is increasing. The first quarter of 1951 brought only 97.4 percent plan fulfillment and even this low percentage was further reduced to 91.5 percent in the third quarter of the year.

Failure to fulfill the open-hearth and rolling mill quotas has unfavorably affected the entire iron and steel industry. One of the principal causes for lagging in the open-hearth plants is that the managements have failed to operate according to production plans, while at the same time they complain about the lack of cranes, scrap iron, and ingot molds. This argument is not justified, because production could be bolstered substantially by the use of carefully prepared production plans. The managers are guilty because they have failed to mobilize their employees for compliance with the blueprints.

Another problem is lack of discipline, which results in lower production and higher waste. In the Martin Steelworks at Diosgyor, instructions given for the handling of ingot molds are neglected. As a consequence, the quality of the pig iron is poor and the volume of waste is rising. It is not uncommon for pig iron to adhere to the ingot mold. In the Diosgyor open-hearth plant alone there are 680 such ingot molds.

In many shops sanitary conditions are deplorable and the waste and trash, accumulated in large quantities, is detrimental to qualitative steel production.

RESTRICTED

- 1 -

CLASSIFICATION RESTRICTED

STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB	DISTRIBUTION																
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI																	

RESTRICTED
RESTRICTED

STAT

The open-hearth plants have failed to utilize the capacity of their furnaces. For example, in August 1951, the 70-ton capacity open-hearth furnace at Ozd was utilized only at 61-65.4 tons.

Another cause for the production lag is the absence of preventive maintenance. Instead of observing the rules of proper care, the workers keep their furnaces in operation for longer periods of time to approximate their quotas. As a consequence, stoppages occur, and several furnaces have to be repaired simultaneously.

A similar situation prevails in the rolling mills. In the Diosgyor rolling mills, the time wasted increased from 35 to 38 percent.

Lack of individual responsibility is one of the main causes for the deficiencies in metallurgy. For example, a substantial quantity of molten steel was lost through a hole in the No 9 furnace, due to faulty repair. In addition, a week was spent to rebuild the furnace. Since observance of the principle of individual responsibility is not enforced, the guilty persons could not be found.

Despite initial enthusiasm and successes, the tempo of work competitions has slackened. The party and the trade unions are chiefly responsible for the lack of indifference displayed by the workers. Due to the negligence of officials, the ratio of absenteeism in the foundries is also very high. If necessary, stern disciplinary measures are to be used to eliminate the deficiencies.

Laszlo Komjathy Speaks

Deputy Minister Laszlo Komjathy told the conference that due to the unsystematic production at the open-hearth furnaces, the rolling mills are unable to fulfill their quotas. He also called attention to the inferior quality of refractory materials, which contributes to the growing waste in the steel industry. For example, refractory lining of the furnaces is not durable enough.

Erno Gero Outlines Plans

Erno Gero pointed out that despite the fact that since the liberation of the country substantial investments have been carried out, the status of the metallurgical industry has remained unchanged. Hungary has no new metallurgical plants, and systematic rebuilding of the factory installations has just begun. Production results are still unsatisfactory, and lags in the machine industry are increasing. In the first quarter of 1951, the plants failed to deliver thousands of tons of open-hearth and rolled steel. The quantity which thus was lost could meet the structural requirements for iron of all the Budapest bridges. In addition, the quality of the products has deteriorated to a dangerous degree.

To eliminate the deficiencies, Gero recommended the following measures: better utilization of the existing installations, production based on production plans, reduction of absenteeism, preventive maintenance, reorganization of the wage system, and inauguration of a bonus system.

Gero announced that in the metallurgical industry a progressive bonus system will be introduced including both the white and blue-collar workers.

- E N D -

RESTRICTED

- 2 -

RESTRICTED